(c) and (d) The Government issues instructions from time to time for the purpose of uniformity in assessment of customs duty as well as procedures. The circulars containing such instructions on various issues are binding in the field formations. No opinions are, however, given in **a** case under adjudication, which ensures that the discretion of adjudicating authorities are not encroached upon.

Revenue loss on SEZ development

1547. SHRI TAPAN KUMAR SEN: Will the Minister of FINANCE be pleased to state:

(a) whether National Institute of Public Finance and Policy has given any projection about revenue loss on SEZ development for the period 2005-06;

(b) if so, the projection of revenue loss from 2005-06 onwards, year-wise; and

(c) the number of SEZs based on which the above projection has been made, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. The National Institute of Public Finance and Policy has not given any year-wise projection about revenue loss on SEZ development.

(b) and (c) Do not arise.

Raising of interest rate on housing loans

1548. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state whether it is a fact that the even after instruction given by him not to raise interest rate on housing loan, some of the banks have not followed the guidelines and increasing the interest rate causing hardship to the beneficiaries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): Interest rates on bank loans including home loan are deregulated. However, the Public Sector Banks were advised to

rein in interest rates on home loan at current rates, provided banks are in a position to address the rebalancing of their credit portfolio.

Review of subsidy burden in budget

1549. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Government have attempted a rational review of the subsidy burden in the current budget in the context of the findings of the YK Alagh Committee on fertilizer prices and Rangaranjan Committee on petroleum products;

(b) what is the quantum of release on fertilizer subsidy this fiscal above the originally budgeted Rs. 17,250.00 crore; and

(c) what are the steps being taken to tackle the subsidy burden on food and power sectors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. Based on the recommendations of the report of the Working Group under the Chairmanship of Dr. Y.K. Alagh, Government has approved the pricing policy for urea units for Stage III of New Pricing Scheme (NPS) with effect from October 1,2006 to March 31, 2010.

Based on the recommendation of the Rangarajan Committee Report, pricing of petrol and diesel has been changed to trade parity basis. Customs duties on petrol and diesel were earlier reduced to 7.5 per cent from 10 percent. In the Union Budget 2007-08, the *ad valorem* component of excise duty on petrol and diesel has been reduced from 8 per cent to 6 per cent.

(b) According to Revised Estimates, fertilizer subsidy is placed at Rs. 22,452 crore in 2006-07.

(c) Providing minimum consumption entitlements to the poor by subsidizing the essential items consumed by them is an extremely important welfare dimension. Subsidies can correct the underconsumption of goods with positive externalities. The Gvoernment is committed to fulfilling its welfare obligation. In the power sector, the Accelerated Power